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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 8, 2002

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUC010226

<u>Ex Parte</u>: Establishment of a Performance Assurance Plan for Verizon Virginia Inc.

SECOND PRELIMINARY ORDER

Pursuant to the Preliminary Order of November 9, 2001, issued by the State Corporation Commission ("Commission"), proposed performance assurance plans ("PAP") were filed on November 30, 2001, by Virginia Verizon Inc. ("Verizon Virginia"), AT&T Communications of Virginia, Inc. ("AT&T"), and WorldCom, Inc. ("WorldCom"). Comments were also filed on November 30, 2001, by Cox Virginia Telecom, Inc. ("Cox") and XO Virginia Inc. ("XO").

AT&T proposes a Performance Incentive Plan for Verizon

Virginia and, alternatively, recommends that the Commission

adopt the New York Performance Assurance Plan ("NY PAP") scaled

to the Virginia market. In addition, WorldCom submitted what

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¹ XO's comments are a proposal that this Commission adopt the same PAP earlier adopted and implemented in New York, Massachusetts, and Connecticut.

appears to be the NY PAP with financial incentives scaled to the $Virginia\ market.^2$

On December 21, 2001, comments were filed by WorldCom,
AT&T,³ and XO. In its comments filed on December 21, 2001,
Verizon Virginia proposes that this Commission adopt the NY PAP
with a number of modifications for Virginia. Because Verizon
Virginia is now proposing the NY PAP, with modifications, we
will defer consideration of the comments of the other parties,
which largely address the first PAP proposed by Verizon
Virginia. We will also not act on AT&T's hearing request at
this time and will grant all parties leave to renew such hearing
request consistent with the findings below.

The Commission will now determine whether its consideration of PAP proposals should be limited to adoption of the NY PAP to Virginia with modifications.⁴ Therefore, all parties should file comments on the single preliminary matter of whether the Commission should at this time limit its consideration to adopting the NY PAP with appropriate modifications. Comments on this single preliminary issue should be filed on or before

² On January 4, 2002, WorldCom filed its Motion to File Supplement to its proposed PAP consisting of the Appendices A through I, which were referenced in their PAP proposal of November 30, 2001. We now grant the Motion.

³ AT&T requested a hearing in its comments.

⁴ If only the NY PAP is considered, all parties will be granted an opportunity to propose modifications for implementation in Virginia.

January 22, 2002. Thereafter, the Commission will issue a further procedural Order, which will provide for renewal of a request for hearing.

Accordingly, IT IS THEREFORE ORDERED THAT:

- (1) All parties are hereby granted leave to file comments on the preliminary issue of the Commission's adoption of the NY PAP, with appropriate modifications, no later than January 22, 2002.
 - (2) This case is now continued.